

file the cases involving a sum of Rs. 10 lacs and above where they find that all means of recovering the advances have failed. No targets for individual banks have been fixed.

(d) Eight more Debt Recovery Tribunals and one Debt Recovery Appellate Tribunal are in the process of being set up.

#### **Default on payment of maturity of debenture**

254. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

- (a) whether SEBI has tightened the guidelines for debenture faults;
- (b) if so, the details thereof;
- (c) the names of the companies in steel and pharma sector who have defaulted on payment of interest and principal to investor on maturity of debenture and action taken against the defaulting companies; and
- (d) the details of action taken/proposed to be taken against LLOYDS financial services and Paam Pharma companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) and (b) In order to enhance the protection to investors, the Securities and Exchange Board of India (SEBI) is in the process of amending the SEBI (Debenture Trustees) Regulations to provide for *inter alia*, an arms length relationship between the issuer and the trustee; disclosure of additional details in the offer document such as statement of the assets on which charge is to be created and the ranking of charge, security cover and the basis of its computation, valuation methods and periodicity etc.

(c) The names of the companies in the pharma and steel sector which have defaulted in the payment of interest and principal are provided in the Statement (*See below*)

(d) SEBI has been informed by the trustees for Lloyds Finance Ltd. that a suit has been filed for recovery of dues amounting to about Rs. 2668 lakhs, appointment of receiver and injunction. The trustees of Paam Pharma Pharmaceuticals (Delhi) Ltd. have informed SEBI that the debenture liability amounts to about Rs. 1590 lakhs. The company has been referred to BIFR and therefore the trustees have not been able to take action. However, the trustees have reported that security has been created for the debentures.

[25th July, 2000]

## RAJYA SABHA

### Statement

#### *Defaults on payment of maturity of debenture*

<b>Pharma</b>	<b>Amount of default</b>	<b>Action as reported by Trustees</b>
	(Rs. In lacs)	
Unicomb Pharmaceutical Ltd.	Interest due: 26	Official liquidator has fixed for inspection of assets and once inspection is over steps will be taken to dispose of the assets.
Paran Pharmaceuticals (Delhi) Ltd.	Interest due: 1590.6	Reference been made to BIFR
Torrent Gujarat BioTech. Ltd.	Interest due: 1294 Amount not redeemed: 2695	Constant follow up
J.F. Laboratories Ltd.	Interest due: 262 Amount not redeemed: 1275	Recall notice has been issued and suit for recovery has been filed in Bombay High Court on 29.2.2000.
<b>STEEL</b>		
J.K. Udaipur Udyog Ltd.	Interest due: 3325.82	Individuals are paid off. As regards institutional debenture holders, the company has approached for deferment. Institutions are considering restructuring proposal.
Lloyds Steel Industries- Ltd.	Amount not redeemed: 414	Company has assured that the dues to individual debenture holders will be cleared by August 2000.
Pennar Profiles Ltd.	Interest due: 157.41 Amount not redeemed: 407	Case is under BIFR. However company has paid the due to all debenture holders (except to IDBI, due to insufficient funds).
Indian Seamless Steels & Alloys Ltd.	Interest due: 167.95	Company is paying interest arrears in a phased manner.
Shri Ishar Alloy Steels Ltd.	Interest due: 507	Company registered with BIFR.
Jindal Iron & Steel Company Ltd.	Interest due: 2217.95	Individuals have been paid off. The company has approached institutional debenture holders for deferment.
Sindal Vijayanagar Steel Limited.	Interest due: 6167	Institutions have rescheduled their dues & are subscribing to fresh equity aggregating to Rs. 542 crores with redemption to commence from December 2003. Individuals to be redeemed as per original schedule by company. Company has assured that overdue interest to individual debenture holders would be cleared by August 2000. Redemption has not yet started.